

DRAFT RISK MITIGATION PLAN BY USOE

Problem	Short-term Plan		Long-term Plan	
	Recommendations	Cost/Benefit	Recommendations	Cost/Benefit
Data & Financial Systems: Non-automated calculations; Obsolete & duplicative systems; Data security vulnerabilities <i>(Completion: 7/2017)</i>	Independent calculations of Minimum School Program (MSP); Improve reconciliation between BASE and FINET; IT performance audit	<u>Cost:</u> Time of Board Internal Audit & USOE staff; \$50K ; <u>Benefits:</u> Independent review of risks of security, systems, costs, etc. and recommendations for improvement	<u>Minimum School Program:</u> Study alternative methods of funding (taskforce); Automate MSP calculations; <u>Finance:</u> Primarily use FINET & write new BASE for public ed reports & functions; <u>Data:</u> Data security officer; Implementation of recommendations of the IT performance audit and UEN audit;	<u>Cost:</u> \$100K for two yrs for programmer to expedite MSP automation; \$200K to rewrite BASE and time to train finance staff and management; ~\$150K for security/IT improvements; \$216K/yr for data security officer; <u>Benefits:</u> Avoid errors of calculation of \$3.3B/yr MSP; More equitable funding; Minimize human error; Protect student data & privacy; Protect other data and systems (potential liability of multi millions of dollars)

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Oversight Resources: Insufficient monitoring and compliance for state and federal laws and regulations <i>(Completion: 12/2016)</i>	Monthly compliance training; Compliance-monitoring application pilot	<u>Cost:</u> Time of Internal Audit staff Compliance monitoring application; ~\$500K/yr in salary adjustments; <u>Benefits:</u> Reduced risk of loss on \$400M/yr in federal funding; Improved compliance with federal and state programs; Reduced turnover	Strategic Planning Consultant; USOE Compliance Officer and staff; UCA Compliance Specialist; 2 USOE FTEs to support LEA growth	<u>Cost:</u> \$580K/yr for new staff; <u>Benefits:</u> Reduced risk of loss on \$400M/yr in federal funding; Improved compliance with federal and state programs;
Clarify Organization & Role Definitions: Risk of abmiguity and duplicative work <i>(Completion: 10/2016)</i>	Superintendency manages communications between the board and USOE	<u>Cost:</u> none; <u>Benefits:</u> clarification of roles and responsibilities	Inventory of roles & responsibilities of USOE staff; Review of job descriptions; Independent evaluation	<u>Cost:</u> maybe none, maybe \$20K; <u>Benefits:</u> clarification of roles and responsibilities, greater efficiency & effectiveness
Centralize Policy Governance & Oversight: Risk of abiguity & non-compliance <i>(Completion: 7/2017)</i>	Inventory all rules, manuals, practices and procedures	<u>Cost:</u> Time of USOE employees and the State Board of Ed; <u>Benefits:</u> Increased attention to policy and completion of groundwork for long-term solution	Policy Director and staff;	<u>Cost:</u> \$200K/yr; <u>Benefits:</u> Policy more clearly directed by the elected officials (State Board of Ed) and clarity of policy improves likelihood of compliance; Policy clarity for Board members, agencies (USOE, USDB, & USOR), and schools/LEAs

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MAJOR RISKS AWAITING DIRECTION FROM THE STATE BOARD OF EDUCATION:

1. Lack of role clarity for compliance and risk management.
2. Insufficient oversight and policy direction for USOR, USDB, and USOE.
3. Insufficient resources for internal controls, internal auditing, and risk management.
4. Significant lack of succession planning.
5. Significant risks associated with the lack of sub-recipient monitoring for federal programs which will increase with the Omni-Circular roll-out and which could result in less funding for classrooms and LEA programs.
6. Insufficient resources for the increase in the number of LEAs.